

Senate Study Bill 1128 - Introduced

SENATE FILE _____

BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act relating to health care coverage of certain nonstate
2 public employees and officials and employees of nonprofit
3 employers under the state health insurance plan and
4 including effective date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

PART 5

IOWA HEALTH CARE COVERAGE PARTNERSHIP PROGRAM

Section 1. NEW SECTION. 8A.471 Definitions.

As used in this part, unless the context otherwise requires:

1. "*Nonprofit employer*" means a nonprofit corporation that is either of the following and does not include a nonstate public employer:

a. A corporation subject to chapter 504.

b. A corporation which qualifies under 26 U.S.C. §501(c)(3).

2. "*Nonstate public employee*" means any employee or elected official of a nonstate public employer.

3. "*Nonstate public employer*" means a political subdivision of the state, including a quasi-public agency.

4. "*Political subdivision of the state*" means a political subdivision of the state or its offices or units, including but not limited to a county, city, community college, or school district.

5. "*State health or medical group insurance plan*" or "*state plan*" means a health or medical group insurance plan for employees of the state.

Sec. 2. NEW SECTION. 8A.472 Nonstate public employees — coverage.

1. Nonstate public employees may obtain coverage under the state plan in accordance with this section.

2. A nonstate public employer may submit an application to the department for coverage under the state plan of all of such employer's nonstate public employees. If a nonstate public employer submits such an application for coverage, the department shall provide such coverage no later than the first day of the third calendar month following such application.

3. Notwithstanding any other provisions of state law, initial participation in the state plan shall be a permissive subject of collective bargaining and shall be subject to binding arbitration only if the employee organization and the nonstate public employer mutually agree to bargain over

1 such initial participation. Such mutual agreement shall be
2 in writing and signed by the authorized representatives of
3 the employee organization and the nonstate public employer.
4 Continuation in the state plan, after initial participation,
5 shall be a mandatory subject of bargaining, and shall be
6 subject to binding arbitration in accordance with the same
7 procedures and standards that apply to any other mandatory
8 subject of bargaining pursuant to state law.

9 4. Premium rates for nonstate public employers shall be the
10 total premium rate paid by the state inclusive of any premiums
11 paid by state employees for the particular state health care
12 product offered by the state plan.

13 Sec. 3. NEW SECTION. 8A.473 **Employees of nonprofit**
14 **employers — coverage.**

15 1. Employees of nonprofit employers may obtain coverage
16 under the state plan in accordance with this section.

17 2. A nonprofit employer may submit an application to the
18 department for coverage under the state plan of all of such
19 employer's employees. If a nonprofit employer submits such an
20 application for coverage, the department shall provide such
21 coverage no later than the first day of the third calendar
22 month following such application. However, the department
23 shall not approve an application for coverage under the
24 state plan if the department determines that approval of such
25 coverage would cause the state plan to be subject to the
26 requirements of the federal Employee Retirement Income Security
27 Act of 1974, as codified at 29 U.S.C. §1001 et seq. If the
28 department determines that the state plan is compliant with
29 such federal requirements, the department shall resume approval
30 of applications for coverage under the state plan as provided
31 in this section.

32 3. Premium rates for nonprofit employers shall be the total
33 premium rate paid by the state inclusive of any premiums paid
34 by state employees for the particular state health care product
35 offered by the state plan.

1 Sec. 4. NEW SECTION. 8A.474 Premium payments —
2 administrative fees.

3 1. A nonstate public employer or nonprofit employer
4 participating in the state plan shall pay the monthly amount
5 determined by the department, for coverage of its employees
6 or elected officials as appropriate under the state plan. A
7 nonstate public employer or nonprofit employer may require each
8 covered employee or elected official to contribute a portion
9 of the cost of such coverage under the state plan, subject
10 to any collective bargaining obligation applicable to such
11 employer. If any payment due by a nonstate public employer or
12 nonprofit employer under this section is not timely paid, after
13 the due date interest shall be added to such payment at the
14 prevailing rate of interest, as determined by the department.
15 Such interest shall be paid by the nonstate public employer or
16 nonprofit employer.

17 2. The department shall charge a nonstate public employer
18 or nonprofit employer participating in the state plan an
19 administrative fee calculated on a per-month basis per covered
20 employee or elected official.

21 3. Payments made pursuant to this section shall be deposited
22 in the Iowa health care coverage partnership program trust fund
23 created in section 8A.475. Moneys deposited in the Iowa health
24 care coverage partnership program trust fund shall be expended
25 for payment of insurance premiums and administrative fees for
26 employees and elected officials covered under the state plan.

27 4. If a nonstate public employer fails to make premium
28 payments as required under this section, the department may
29 direct the treasurer of state, or any other office of the state
30 that is the custodian of any moneys made available by reason of
31 any grant, allocation, or appropriation by the state or state
32 agencies payable to the nonstate public employer at any time
33 subsequent to the failure of the nonstate public employer, to
34 pay such premiums and interest that are due and unpaid and
35 to withhold payment of moneys payable to the nonstate public

1 employer until the amount of the premiums and interest then
2 due and unpaid by the nonstate public employer has been paid
3 to the state or until the treasurer of state determines that
4 arrangements, satisfactory to the treasurer of state, have been
5 made for the payment of such premiums and interest. However,
6 such moneys shall not be withheld from a nonstate public
7 employer if such withholding will adversely affect the receipt
8 of any federal grant or aid in connection with such moneys.

9 5. If a nonprofit employer fails to make premium payments,
10 the department may terminate the nonprofit employer's employee
11 participation in the state plan and request the attorney
12 general to recover any premiums and interest due and unpaid.

13 Sec. 5. NEW SECTION. 8A.475 Iowa health care coverage
14 partnership program trust fund.

15 1. A separate, special Iowa health care coverage
16 partnership program trust fund is created in the state treasury
17 under the control of the department. The trust fund shall
18 consist of all moneys deposited in the fund and other assets
19 that must be held in trust and shall be used for the exclusive
20 benefit of employees and elected officials covered under the
21 state plan as provided in section 8A.474.

22 2. The director is the trustee of the fund and shall
23 administer the fund. Any loss to the fund shall be charged
24 against the trust and the director shall not be personally
25 liable for such loss.

26 3. Moneys in the fund are not subject to section 8.33.
27 Notwithstanding section 12C.7, subsection 2, interest or
28 earnings on moneys in the fund shall be credited to the fund.

29 Sec. 6. NEW SECTION. 8A.476 Rules.

30 The department, by rule, shall develop procedures to
31 administer this part 5.

32 Sec. 7. EFFECTIVE DATE. This Act takes effect January 1,
33 2016.

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill allows employees and elected officials of a
3 nonstate public employer, and employees of a nonprofit employer
4 to apply for coverage and enroll in a state health or medical
5 group insurance plan provided to state employees by the
6 department of administrative services (DAS).

7 Premium payments for coverage received through a state plan
8 must be the same as for state employees, including any premiums
9 paid by state employees.

10 Each employer who participates in a state health or medical
11 group insurance plan must pay monthly premium amounts for
12 coverage to DAS, plus administrative fees calculated on a
13 per-month basis per employee or elected official. An employer
14 may require each covered employee or elected official to
15 contribute a portion of the cost of such coverage under the
16 state plan, subject to any collective bargaining obligations.
17 The payments are to be deposited in the Iowa health care
18 coverage partnership program trust fund created in Code section
19 8A.475 and expended for coverage being provided to the covered
20 employees or elected officials.

21 If monthly premium payments are not made, DAS may charge
22 interest on the unpaid balance. If a nonstate public employer
23 fails to make premium payments, DAS may direct the treasurer
24 of state to withhold grants, allocations, or appropriations
25 payable to the nonstate public employer, until the premium
26 payments are made. If a nonprofit employer fails to make
27 premium payments, DAS may terminate participation of that
28 employer's employees in the state plan and request the attorney
29 general to recover the unpaid premiums and interest.

30 For purposes of the program, a "nonstate public employer" is
31 a political subdivision of the state, including but not limited
32 to counties, cities, community colleges, quasi-public agencies,
33 and school districts. A "nonprofit employer" is a corporation
34 organized or recognized as a nonprofit corporation under state
35 or federal law.

S.F. _____

1 The department of administrative services shall, by rule,
2 adopt procedures to administer the bill.

3 The bill takes effect January 1, 2016.